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LOK SABHA

The following Bills were introduced in Lok Sabha on the 13th September, 1956:—

BILL* No. 62 of 1956

A Bill to provide for the levy of a terminal tax on passengers carried by railway from or to certain places of pilgrimage or where fairs, melas or exhibitions are held.

Be it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Terminal Tax on Railway Passengers Act, 1956.

Short title,
extent and
commencement.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "maximum rates" mean the rates of terminal tax specified in the Schedule;

(b) "mela" means a public gathering on the occasion of any religious festival;

(c) "notified place" means a place of pilgrimage or a place where a fair, mela or exhibition is being or is likely to be held, which the Central Government has, by notification in the Official Gazette, declared to be a notified place for the purposes of this Act;

* The President has, in pursuance of clause (1) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to Lok Sabha the introduction of the Bill.

(d) "railway administration" has the meaning assigned to it in the Indian Railways Act, 1890.

9 of 1890

Terminal
tax on pas-
sengers
carried by
railway from
or to notified
places.

3. (1) Subject to the other provisions contained in this Act, there shall be levied on all passengers carried by railway from or to any notified place a terminal tax in respect of every railway ticket (whether single or return) at such rates not exceeding the maximum rates as the Central Government may, by notification in the Official Gazette, fix; and such notification shall specify the date with effect from which, and may also specify the period for which, the terminal tax shall be leviable:

Provided that where no such period is specified in the notification, the terminal tax shall be leviable for so long as this Act is in force.

(2) Subject to the maximum rates, different rates of terminal tax may be fixed,—

(a) in relation to different notified places; and

(b) in respect of short-distance passengers and long-distance passengers; provided that the rate in respect of short-distance passengers shall be always lower than that in respect of long-distance passengers.

Explanation.—In this sub-section a passenger travelling by railway from or to any notified place to or from a distance of not more than one hundred and fifty miles shall be deemed to be a short-distance passenger and any other passenger travelling by railway shall be deemed to be a long-distance passenger.

Terminal tax
not to be
levied within
certain
limits.

4. No terminal tax shall be levied on any passenger travelling by railway from or to any notified place to or from any railway station situated within a radius of forty miles from that notified place or within such shorter distance from that place as the Central Government may, by notification in the Official Gazette, specify.

Power of
Central Gov-
ernment to
vary rates of
tax.

5. The Central Government may, by notification in the Official Gazette, vary from time to time in respect of railway passengers generally or a class of railway passengers the rates of the terminal tax levied in relation to any notified place under section 3.

Power of
Central Gov-
ernment to
discontinue
levy.

6. The Central Government may, by notification in the Official Gazette, declare that with effect from such date as may be specified in the notification, the terminal tax levied in relation to any notified place shall for reasons specified in the notification cease to be levied in relation to that place.

9 of 1890.

7. (1) The terminal tax levied under this Act shall be collected by means of a surcharge on fares by the railway administration, and where it is so collected the railway administration shall have all the powers and remedies for the recovery thereof as though the same were a rate or fare which the railway administration is empowered to levy under the Indian Railways Act, 1890.

Mode of recovery of tax.

(2) Such portion of the total proceeds of the tax attributable to any notified place as the Central Government may from time to time ascertain shall be deducted to meet the cost of collection of the tax.

8. Notwithstanding anything contained in any law where a terminal tax in relation to any notified place is levied under this Act on passengers carried by railway, no other terminal tax in relation to such place shall be levied under any other law on such passengers.

No other terminal tax on railway passengers when terminal tax under this Act is levied.

9. Nothing contained in this Act or in any other law shall be deemed to authorise the levy of a terminal tax on the following classes of passengers carried by railway, namely:—

- (a) children not over three years of age;
- (b) police officers travelling on railway warrants; and
- (c) persons travelling on military warrants.

THE SCHEDULE

MAXIMUM RATES OF TERMINAL TAX

[See section 2(a)]

Class of accommodation	Maximum rates of terminal tax					
	a			b		
	(In respect of every single ticket)			(In respect of every return ticket)		
	Rs.	A.	P.	Rs.	A.	P.
Air-conditioned or first class	1	8	0	3	0	0
Second Class	1	0	0	2	0	0
Third Class	0	8	0	1	0	0

STATEMENT OF OBJECTS AND REASONS

The terminal taxes on passengers carried by railway (including pilgrim taxes) now in force are those leviable under the local enactment; passed before the 1st day of April, 1937, on which date the Government of India Act, 1935, came into force. That Act made terminal taxes on passengers carried by railway a Central subject, but at the same time authorised the continuance of the levy of the existing terminal taxes on passengers carried by railway until provision to the contrary was made by the Central Legislature. Under the Constitution of India also, terminal taxes on passengers carried by railway are a matter in the Union List, and under article 269 of the Constitution such taxes shall be levied and collected by the Government of India but shall be assigned to the States in the manner provided in clause (2) of that article. Under article 277 of the Constitution, all taxes levied by the Government of any State or by any municipality or other local authority or body before the commencement of the Constitution shall continue to be levied after such commencement until provision to the contrary is made by Parliament by law. It is under this saving provision of the Constitution that the existing terminal taxes referred to above are being levied till the present time. Whenever, however, there has been any need for the levy of any fresh terminal tax or for the enhancement of any of the existing terminal taxes (including pilgrim taxes), the practice has been to have recourse to the Ordinance-making powers of the President. For example, recently the Madras Terminal Tax on Railway Passengers Ordinance, 1956, was promulgated to levy a terminal tax on railway passengers visiting Kumbakonam on the occasion of the Mahamakham festival. In order to obviate the need for the issue of an Ordinance on each such occasion for any fresh or increased levy, general legislation is desirable and this also finds favour with the different State Governments and various local bodies who have been pressing for such a general legislation for quite some time past.

After having considered the recommendations of the Taxation Inquiry Commission, 1953-54, relating to the levy of terminal tax on passengers carried by railway, sea and air, it has been decided that legislation for the levy of terminal tax should, for the present, be confined to passengers carried by railway to and from places of pilgrimage, *melas*, fairs, exhibitions, etc. The proposed legislation should provide that the places of pilgrimage, *melas*, fairs, exhibitions,

etc., in respect of which, the rate (not exceeding the maximum rates specified in the legislation) at which, and the period for which, the terminal tax may be leviable, will be notified by the Central Government in the Official Gazette. The terminal tax will be leviable in respect of every ticket whether single or return; there will be a free zone not exceeding a radius of forty miles, within which no tax will be leviable and different rates of tax may be fixed for long-distance passengers and short-distance passengers. The Central Government should have the power to vary the rates of the tax or to discontinue the levy in respect of any place by notification in the Official Gazette.

The present Bill is designed to achieve the objects set forth above.

LAL BAHADUR.

NEW DELHI;

The 7th September, 1956.

BILL* No. 63 of 1956

A Bill further to amend the Industries (Development and Regulation) Act, 1951.

Be it enacted by Parliament in the Seventh Year of the Republic of India as follows:—

Short title
and com-
mencement.

1. (1) This Act may be called the Industries (Development and Regulation) Amendment Act, 1956.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment
of section 13.

2. In sub-section (1) of section 13 of the Industries (Development and Regulation) Act, 1951 (hereinafter referred to as the ^{65 of 1951.} principal Act),—

(i) in clause (b), the words “on the ground that it had been obtained by misrepresentation as to an essential fact” shall be omitted;

(ii) in clause (d), after the words “which has been registered”, the words “or in respect of which a licence or permission has been issued” shall be inserted.

Amendment
of section 14.

3. In section 14 of the principal Act, for the words and figures “or section 13”, the words, figures and letter “section 13 or section 29B” shall be substituted.

*The President has, in pursuance of clause (3) of article 117 of the Constitution of India, recommended to Lok Sabha the consideration of the Bill.

4. In section 24 of the principal Act, in clause (i) of sub-section Amendment (1), after the words and figures "of section 13", the following shall ^{of section 24.} be inserted, namely:—

"or of sub-section (2) of section 29B".

5. Section 29B of the principal Act shall be renumbered as sub- Amendment section (1) thereof, and after sub-section (1) as so renumbered, the ^{of section 29B.} following sub-sections shall be inserted, namely:—

"(2) Where any notification under sub-section (1) granting any exemption is cancelled, no owner of any industrial undertaking to which the provisions of section 10, section 11, section 11A or clause (d) of sub-section (1) of section 13 would have applied, if the notification under sub-section (1) had not been issued, shall carry on the business of the undertaking after the expiry of such period as may be specified in the notification cancelling the exemption except under and in accordance with a licence issued in this behalf by the Central Government and, in the case of a State Government, except under and in accordance with the previous permission of the Central Government.

(3) The provisions of this Act shall apply, so far as may be, in relation to the issue of a licence or permission to any industrial undertaking referred to in sub-section (2) as they apply in relation to the issue of a licence or permission to a new industrial undertaking.".

6. In section 30 of the principal Act, in clause (i) of sub-section Amendment (2), for the words and figures "or section 13", the words, figures and ^{of section 30} letter "section 13 or section 29B" shall be substituted.

7. For the First Schedule to the principal Act, the following Substitution Schedule shall be substituted, namely:—
^{of a new Schedule for the First Schedule.}

"THE FIRST SCHEDULE

[See sections 2 and 3 (i)]

Any industry engaged in the manufacture or production of any of the articles mentioned under each of the following headings or sub-headings, namely:—

1. METALLURGICAL INDUSTRIES:

A. Ferrous:

(1) Iron and steel (Metal).

(2) Ferro-alloys and special steels.

- (3) Iron and Steel castings and forgings.
- (4) Iron and Steel structurals.
- (5) Iron and Steel pipes.
- (6) Other products of iron and steel.

B. Non-ferrous:

- (1) Non-ferrous metals and alloys.
- (2) Semi-manufactures and manufactures.

2. FUELS:

- (1) Coal, lignite, coke and their derivatives.
- (2) Mineral oil (crude oil), motor and aviation spirit, diesel oil, kerosene oil, fuel oil, diverse hydrocarbon oils and their blends including synthetic fuels, lubricating oils and the like.
- (3) Fuel gases—(coal gas, natural gas and the like).

3. BOILERS AND STEAM GENERATING PLANTS:

Boilers and steam generating plants.

4. PRIME MOVERS (OTHER THAN ELECTRICAL GENERATORS):

- (1) Steam engines and turbines.
- (2) Internal combustion engines.

5. ELECTRICAL EQUIPMENT:

- (1) Equipment for generation, transmission and distribution of electricity including transformers.
- (2) Electrical motors.
- (3) Electrical fans.
- (4) Electrical lamps.
- (5) Electrical furnaces.
- (6) Electrical cables and wires.
- (7) X-ray equipment.
- (8) Electronic equipment.
- (9) Household appliances such as electric irons, heaters and the like.
- (10) Storage batteries.
- (11) Dry cells.

6. TELECOMMUNICATIONS:

- (1) Telephones.
- (2) Telegraph equipment.
- (4) Wireless communication apparatus.
- (4) Radio receivers, including amplifying and public address equipment.
- (5) Television sets.
- (6) Teleprinters.

7. TRANSPORTATION:

- (1) Aircraft.
- (2) Ships and other vessels drawn by power.
- (3) Railway locomotives.
- (4) Railway rolling stock.
- (5) Automobiles (motor cars, buses, trucks, motor cycles, scooters and the like).
- (6) Bicycles.
- (7) Others, such as fork lift trucks and the like.

8. INDUSTRIAL MACHINERY:

A. Major items of specialised equipment used in specific industries:—

- (1) Textile machinery (such as spinning frames, carding machines, powerlooms and the like) including textile accessories.
- (2) Jute machinery.
- (3) Rayon machinery.
- (4) Sugar machinery.
- (5) Tea machinery.
- (6) Mining machinery.
- (7) Metallurgical machinery.
- (8) Cement machinery.
- (9) Chemical machinery.
- (10) Pharmaceuticals machinery.
- (11) Paper machinery.

B. General items of machinery used in several industries, such as the equipment required for various 'unit processes':

- (1) Size reduction equipment—crushers, ball mills and the like.
- (2) Conveying equipment—bucket elevators, skip hoists, cranes, derricks and the like.
- (3) Size separation units—screens, classifiers and the like.
- (4) Mixers and reactors—kneading mills, turbo mixers and the like.
- (5) Filtration equipment—filter presses, rotary filters and the like.
- (6) Centrifugal machines.
- (7) Evaporators.
- (8) Distillation equipment.
- (9) Crystallisers.
- (10) Driers.
- (11) Power driven pumps—reciprocating, centrifugal and the like.
- (12) Air and gas compressors and vacuum pipes (excluding electrical furnaces).
- (13) Refrigeration plants for industrial use.

C. Other items of Industrial Machinery:

- (1) Ball, roller and tapered bearings.
- (2) Speed reduction units.
- (3) Grinding wheels and abrasives.

9. MACHINE TOOLS:

Machine tools.

10. AGRICULTURAL MACHINERY:

- (1) Tractors, harvestors and the like.
- (2) Agricultural implements.

11. EARTH-MOVING MACHINERY:

Bulldozers, dumpers, scrapers, loaders, shovels, drag lines, bucket wheel excavators, road rollers and the like.

12. MISCELLANEOUS MECHANICAL AND ENGINEERING INDUSTRIES:

- (1) Plastic moulded goods.
- (2) Hand tools, small tools and the like.
- (3) Razor blades.

13. COMMERCIAL, OFFICE AND HOUSEHOLD EQUIPMENT:

- (1) Typewriters.
- (2) Calculating machines.
- (3) Air conditioners and refrigerators.
- (4) Vacuum cleaners.
- (5) Sewing and knitting machines.
- (6) Hurricane lanterns.

14. MEDICAL AND SURGICAL APPLIANCES:

Surgical instruments—sterilisers, incubators and the like.

15. INDUSTRIAL INSTRUMENTS:

- (1) Water meters, steam meters, electricity meters and the like.
- (2) Indicating, recording and regulating devices for pressure, temperature, rate of flow, weights, levels and the like.
- (3) Weighing machines.

16. SCIENTIFIC INSTRUMENTS:

Scientific instruments.

17. MATHEMATICAL, SURVEYING AND DRAWING INSTRUMENTS:

Mathematical, surveying and drawing instruments.

18. CHEMICALS:

- (1) Fertilisers.
- (2) Inorganic heavy chemicals.
- (3) Organic heavy chemicals.

- (4) Fine chemicals including photographic chemicals.
- (5) Synthetic resins and plastics.
- (6) Paints, varnishes and enamels.
- (7) Synthetic rubbers.
- (8) Man-made fibres including regenerated cellulose-rayon, nylon and the like.
- (9) Coke oven by-products.
- (10) Coal tar distillation products like naphthalene, anthracene and the like.
- (11) Explosives including gun powder and safety fuses.
- (12) Insecticides, fungicides, weedicides and the like.
- (13) Textile auxiliaries.
- (14) Miscellaneous chemicals.

19. PHOTOGRAPHIC RAW FILM AND PAPER:

- (1) Cinema film.
- (2) Photographic amateur film.
- (3) Photographic printing paper.

20. DYE-STUFFS:

Dye-stuffs.

21. DRUGS AND PHARMACEUTICALS:

Drugs and pharmaceuticals.

22. TEXTILES (INCLUDING THOSE DYED, PRINTED OR OTHERWISE PROCESSED):

- (1) made wholly or in part of cotton, including cotton yarn, hosiery and rope.
- (2) made wholly or in part of jute, including jute, twine and rope.
- (3) made wholly or in part of wool, including wool tops, woollen yarn, hosiery, carpets and druggets;
- (4) made wholly or in part of silk including silk yarn and hosiery;
- (5) made wholly or in part of synthetic, artificial (man-made) fibres, including yarn and hosiery of such fibres.

23. PAPER AND PULP INCLUDING PAPER PRODUCTS:

- (1) Paper—writing, printing and wrapping.
- (2) Newsprint.
- (3) Paper board and straw board.
- (4) Paper for packaging (corrugated paper, kraft paper, paper bags, paper containers and the like).
- (5) Pulp—wood pulp, mechanical, technical, including dissolving pulp.

24. SUGAR

Sugar.

25. FERMENTATION INDUSTRIES:

- (1) Alcohol—Industrial and power.
- (2) Other products of fermentation industries.

26. FOOD PROCESSING INDUSTRIES:

- (1) Canned fruits and fruit products.
- (2) Milk foods.
- (3) Malted foods.
- (4) Flour.
- (5) Other processed foods.

27. VEGETABLE OILS AND VANASPATHI:

- (1) Vegetable oils, including solvent extracted oils.
- (2) Vanaspathi.

28. SOAPS, COSMETICS AND TOILET PREPARATIONS:

- (1) Soaps.
- (2) Glycerine.
- (3) Cosmetics.
- (4) Perfumery.
- (5) Toilet preparations.

29. RUBBER GOODS:

- (1) Tyres and tubes.
- (2) Surgical and medicinal products including prophylactics.
- (3) Footwear.
- (4) Other rubber goods.

30. LEATHER, LEATHER GOODS AND PICKERS:

Leather, leather goods and pickers.

31. GLUE AND GELATIN:

Glue and gelatin.

32. GLASS:

- (1) Hollow ware.
- (2) Sheet and plate glass.
- (3) Optical glass.
- (4) Glass wool.
- (5) Laboratory ware.
- (6) Miscellaneous ware.

33. CERAMICS:

- (1) Fire bricks.
- (2) Refractories.
- (3) Furnace lining bricks—acidic, basic and neutral.
- (4) China ware and pottery.
- (5) Sanitary ware.

34. CEMENT AND GYPSUM PRODUCTS:

- (1) Portland cement.
- (2) Asbestos cement.
- (3) Insulating boards.
- (4) Gypsum boards, wall boards and the like.

35. TIMBER PRODUCTS:

- (1) Plywood.
- (2) Hardboard, including fibre-board, chip-board and the like.
- (3) Matches.
- (4) Miscellaneous (furniture components, bobbins, shuttles and the like).

36. DEFENCE INDUSTRIES:

Arms and ammunition.

37. MISCELLANEOUS INDUSTRIES:
Cigarettes.

Explanation 1.—The articles specified under each of the headings Nos. 3, 4, 5, 6, 7, 8, 10, 11 and 13 shall include their component parts and accessories.

Explanation 2.—The articles specified under each of the headings Nos. 18, 20 and 21 shall include the intermediates required for their manufacture.

STATEMENT OF OBJECTS AND REASONS

The Industries (Development and Regulation) Act, 1951, which has brought under the control of the Union 42 industries by reason of the declaration contained in section 2 of that Act, enables the Government to secure the development of those industries in conformity with its industrial policy. The Schedule is now proposed to be amended in order to bring within the control of the Union the following new industries which are of all-India importance:—

1. Ferro-alloys and special steels.
2. Lignite.
3. Television sets.
4. Teleprinters.
5. Electrical furnaces.
6. X-Ray equipment.
7. Abrasives and grinding wheels.
8. Earth-moving machinery, such as bull-dozers, dumpers, shovels, loaders, bucket wheel excavators, road rollers, etc.
9. Typewriters and Calculating machines.
10. Air-conditioners and refrigerators.
11. Medical and surgical appliances such as surgical instruments, sterilisers, incubators, etc.
12. Plastics moulding industries.
13. Industrial instruments.
14. Fine chemicals including photographic chemicals.
15. Synthetic resins and plastics.
16. Paints, varnishes and enamels.
17. Synthetic rubber.
18. Staple fibre.
19. Explosives, including gun-powder and safety fuses.
20. Insecticides, fungicides, weedicides, etc.
21. Textile auxiliaries.
22. Textile accessories.
23. Textile Processing.
24. Photographic raw films and printing paper.

25. Pulp—wood pulp, mechanical, technical, including dissolving pulp.
26. Fermentation industries.
27. Food processing industries.
28. Hardboard, chipboard and strawboard.
29. Asbestos cement, insulating boards, gypsum boards, wall boards, etc.
30. Matches.
31. Cigarettes.

Opportunity is taken to revise the Schedule as now proposed to be amended so that the industries are grouped together on a scientific basis.

2. A few minor difficulties which have been brought to light in the working of the Act are sought to be removed by the remaining amendments.

The first amendment in clause 2 provides for the licensing of industrial undertakings the registration of which has been revoked on the ground of the closure of the undertaking or the discontinuance of production of certain articles, etc. [Section 13 (1) (b) at present applies only to cases where registration is revoked on the ground that it had been obtained by misrepresentation as to an essential fact]. The second amendment in this clause covers licensed undertakings which seek to effect substantial expansion.

The amendment in clause 5 provides for the licensing of undertakings which by reason of an exemption granted under section 29B did not require to be registered or licensed under the Act at the time of the commencement of the Act or at the time of their establishment or when they commenced manufacturing or producing new articles or when they sought to effect substantial expansions, as the case may be, and which are now to be licensed by reason of the cancellation of the exemption.

The amendments in clauses 3, 4 and 6 are consequential.

MANUBHAI SHAH.

NEW DELHI;

The 4th September, 1956.

FINANCIAL MEMORANDUM

The Industries (Development and Regulation) Amendment Bill contemplates the addition of 31 new industries to the First Schedule to the Industries (Development and Regulation) Act, 1951, and the re-arrangement of all the items in that Schedule in a rational manner. The Bill, if enacted and brought into operation, will involve expenditure from the Consolidated Fund of India in respect of—

- (1) the additional staff that will have to be employed for the administration of the Act; and
- (2) the Development Councils, if any, that might be set up for the new industries under section 6 of the Act.

It is not possible to estimate accurately at this stage the extra expenditure that will be incurred in respect of the above. It is expected that the total recurring expenditure will be roughly Rs. 1 lakh per annum.

M. N. KAUL,
Secretary.